



Office of the President

December 1, 2023

Mr. Kyle Guerrant
Deputy State Budget Director
111 South Capitol
P.O. Box 30026
Lansing, MI 48909

Dear Deputy Director Guerrant:

At Central Michigan University (CMU), we believe that everyone has the ability, and the responsibility, to lead – and we begin to prepare students to be leaders in their careers and communities from day one. With one of the state’s most comprehensive leadership development programs, CMU helps students understand their profound responsibility to serve the residents and communities of our state.

CMU was established more than 130 years ago to meet the state’s critical need for teachers and business leaders. Today, we continue the legacy of meeting Michigan’s needs — now expanded to include not only teachers and business leaders, but also health care professionals, engineers, entrepreneurs, and communicators to name just a few.

CMU is unique in offering the resources of a large research institution while also providing the personalized learning experience of a smaller college. As we carry out our threefold mission of teaching and learning, research and creative activity, and service, we focus on finding solutions for the most pressing issues facing our state. Our students are leaders who pursue knowledge for a greater purpose, aiming to have a positive impact in their communities. They are Fired Up to make a difference and genuinely care about the betterment of our state.

Our strong undergraduate and graduate programs emphasize learning by doing, and our students can engage in hands-on research and creative activity beginning their very first day at CMU. We infuse their classroom learning experiences, as well as co-curricular and extracurricular programs, with practical application to real-world issues.

To ensure every Michigander has access to the benefits of higher education, we have significantly increased our recruitment and enrollment efforts. We are currently stepping up outreach to potential first-year students, particularly those historically underserved by other colleges and universities. We are strengthening our relationships with community colleges, whose students may wish to transfer into a four-year program. We see a tremendous opportunity to serve nontraditional students, particularly working adults, who need to pursue additional education for career changes or promotions. We are also partnering with companies and organizations throughout the state to offer educational programs for their employees.

In all we do at CMU, we are defined by the success of our students and alumni, and by our collective impact with the communities we serve. It is our legacy, and we are proud to pursue the greater good for Michigan every day.

As we scan the current higher education landscape, there is no question that we are operating in a competitive environment ripe with disruptive traits. The prevailing issues directly affecting higher education — and CMU — include but are clearly not limited to:

- The discussion of degree attainment costs/price (including student debt) and the value of returns on investment in higher education.
- Demographic shifts.
- Public funding that has not kept pace with inflation over time.
- New competitive entrants outside the traditional market sector.
- Political and social trends and their effect on access to higher education.

To that end, CMU recently completed a robust strategic planning process focused on impact. Our new strategic plan enables us to think in transformational terms, not in annual, short-term transactional or operational forms. With this new plan, we will reshape CMU and position ourselves to better serve our students, foster economic development, ensure civic and social advancement, and spur innovation that will positively impact our region, our state, the nation, and the world at large.

At CMU, we pride ourselves on academic excellence and cocurricular activities that combine to empower students to think critically, focus on solutions and work in teams. We teach students to be leaders, giving them the support and opportunities that build their résumés and prepare them to start successful careers that benefit the state of Michigan.

In the attached document, I outline responses to your questions and discuss many of the strategic efforts underway to better support our students and the communities we serve across the state. I appreciate this opportunity to share the story of Central Michigan University with you.

Be well,



Robert O. Davies, Ph.D.
President

State Funding Considerations

The Michigan Achievement Scholarship, established in 2023, awards an estimated 76% of public university students up to \$5,500 per year toward tuition and fees. In the FY24 budget, Governor Whitmer signed a \$350 million ongoing investment for the Michigan Achievement Scholarship. The first cohort of students began receiving this award this fall.

How has the Michigan Achievement Scholarship impacted Fall 2023 enrollment at your institution?

CMU appreciates the state's investment to make college more affordable for incoming students. This fall, CMU experienced a slight increase in new incoming students. The socio-economic and demographic data for students receiving the Michigan Achievement Scholarship at CMU indicated that students were five times more likely to be PELL eligible than those who did not receive the award. Similarly, recipients were nearly three times more likely to be first-generation college students, and nearly twice as likely to be BIPOC students than those who did not receive the award. These figures demonstrate expanded access to higher education, which aligns with CMU's goal to keep a college degree both accessible and affordable for Michigan students and their families.

Has your institution made changes to your institutional financial aid as a result of the Michigan Achievement Scholarship? If so, how have these changes impacted your student body?

CMU has not changed its institutional financial aid packaging policy as a result of the Michigan Achievement Scholarship. We offer significant need-based and merit-based financial aid packages to our students, and we support them with student-centered services throughout their academic journeys. This includes but is not limited to: the Student Emergency Fund; the Student Food Pantry; proactive academic advising; mental health support, including the Counseling Center and CMU Cares team; the Finish Up Chips fund for students in danger of stopping out due to financial distress; the Financial Wellness Collaborative; and more.

We believe in access and affordability to a high-quality education, and 80% of our full-time undergraduate students receive institutional financial aid. CMU also has a lower undergraduate tuition rate than 11 of the other public institutions in Michigan for new entering students, providing excellent value to students and a high return on investment.

How can the state partner with institutions to target support to underrepresented student populations with the Michigan Achievement Scholarship? Are there any changes needed to make the Michigan Achievement Scholarship more accessible for students?

The State of Michigan can expand access to underrepresented populations of students by working closely with colleges and universities statewide to develop a coordinated communication plan with clear guidance about the program. Involving the communications and marketing teams in the development of a roll-out plan would enable each institution to message information more effectively to prospective students and families.

We also recommend enhancing the program by removing the last-dollar award component and awarding the full amount available in the initial phase. This change to the packaging philosophy would simplify and streamline the process, reducing complex conversations between students, guidance counselors and

institutional financial aid officers. This change keeps the focus on students choosing to pursue their degrees instead of on the technicalities of the program — especially as there are new complexities students and families must consider. With the changes to the Free Application for Federal Student Aid (FAFSA) form this year, institutions must increase collaboration and communication with students and families about the changes related to expected family contribution (EFC) versus the student aid index (SAI).

Finally, we strongly support the recently proposed legislation that would make completion of a FAFSA form a requirement for high school graduation. We believe this would enhance discussions between high school students, their parents and supporters, and guidance counselors to expand awareness of options available for making college more affordable.

All the items above align with expanding access for students to higher education and would remove potential barriers for students and families throughout the process.

How could the state provide financial support to your institution to help achieve your strategic mission and plan in FY 2025?

In FY 24, Governor Whitmer signed a \$79 million one-time investment for ITEMS funding. How will your institution utilize this funding and what are the long-term benefits for your institution? Is continued investment in ITEMS funding important to your institution?

CMU greatly appreciates this additional funding to supplement our own ongoing investment in infrastructure, technology, equipment, maintenance, and safety-related initiatives. CMU plans to utilize ITEMS funding in three primary areas: campus safety initiatives, including upgraded cameras on our campus, as well as expanded access control technology for our buildings; campus technology enhancements, including network upgrades and security enhancements for data preservation; and deferred maintenance on campus buildings, sidewalks, and related infrastructure.

We encourage the state to establish an ongoing deferred maintenance pool for universities, which would allow the state to continue its investment in the ITEMS funding critical to mitigate growing deferred maintenance costs for buildings and technology infrastructure at many public institutions. For example, the current estimate for deferred maintenance on our buildings is \$378M and our deferred maintenance on our network, systems and other technology is \$35M. The impact of inflation continues to exacerbate the financial pressure on institutions for maintaining campus infrastructure.

A recurring state funding pool for deferred maintenance would directly benefit the state's economy by investing in infrastructure that ensures jobs for construction companies across the state. The creation of an ongoing ITEMS pool would also free up some institutional resources in the near term, which in turn could support the changing needs of students. That additional student support would help institutions pursue the Governor's goal of empowering 60% of Michiganders to earn a postsecondary degree or certificate by 2030.

CMU also believes that the state should explore a more appropriate allocation factor for determining ITEMS funding allocations than full-time equated student. Much of the deferred maintenance on college campuses is due to older buildings and infrastructure, which are unrelated to the number of students in attendance.

The state should explore incorporating the average age of buildings into the funding equation. This would provide funds for the infrastructure that is most needed.

Outline any changes you would propose to the structure of operations funding for universities in Michigan. How can the state create flexible and sustainable funding streams through operations and other supports for your institution?

CMU recommends exploration of an updated funding structure that recognizes the unique differences in institutions and works to create parity in funding for similar institutions. The disparity of state appropriations hinders innovation among the institutions receiving lower levels of appropriations compared to their in-state peers and perpetuates funding decisions that were largely based on historical political influence occurring prior to term limits.

As an example, the in-state peer institution most like CMU, in terms of size and program offerings, receives nearly \$25 million more in state funding, yet CMU offers lower undergraduate tuition rates, and greater institutional aid. Significant disparities in state funding between similar institutions provide an advantage to those institutions that fared well under historical state funding agreements — including several that are still in place today — while negatively impacting students who choose to attend other institutions.

We recognize that changes to funding allocation methods will take time. In the meantime, we ask that you continue to invest in higher education at CMU with an operational funding increase. We look forward to participating in future discussions regarding funding allocation methods to further the educational goals of our state.

Regarding other state support, in addition to recurring ITEMS funding, CMU would welcome the reinstatement and funding of the Michigan College Work Study program. This would provide students greater financial support, along with flexible work options at CMU, while they diligently pursue degree attainment. Work study programs also offer the added benefit of real-world work experience, helping students build the essential professional skills Michigan employers demand.

How has your institution responded to and supported regional and statewide workforce development needs in the last year?

CMU continually focuses on positively impacting the communities we serve. We do this through community engagement as well as regional and statewide workforce development. CMU leaders participate in local, regional, and statewide groups to better understand the needs of communities throughout the state, including the Michigan Workforce Development Board. They actively communicate with major employers of our graduates and consistently determine that CMU students are well-prepared to successfully contribute to the success of their organizations.

CMU actively monitors data from the U.S. Bureau of Labor Statistics to determine areas for future job growth. As we explore options for new academic offerings, we concurrently develop a program feasibility report to ensure alignment with emerging employment trends.

A recent study by the U.S. Small Business Administration shows that 98% of all Michigan businesses are small businesses, and they employ half of all Michigan workers. Therefore, we must prepare future entrepreneurs to develop and lead these critical small organizations. CMU's New Venture Challenge pairs emerging student entrepreneurs with business mentors from a variety of industries to help them create, develop, and launch small startup companies. Over the past decade, the New Venture Challenge has incubated 50 viable new businesses and has prepared hundreds of students for success in small business ownership.

CMU is also a leader in assisting graduates and other aspiring entrepreneurs in bringing their ideas to fruition. The Michigan Economic Development Corporation (MEDC) has designated a Michigan SmartZone near our campus, where the City of Mount Pleasant and CMU have developed a 300-acre technology park that includes an incubator and business accelerator called the CMU Research Corporation (CMURC). It houses 17,000 square feet of wet laboratories and 13,000 square feet of offices, and it leverages CMU's diverse capabilities to assist start-up businesses.

Among the state's MEDC-funded business incubators, CMURC ranks first in terms of jobs created and companies formed. In the past four years, CMURC opened centers in Bay City, Midland, and Saginaw, to assist with business start-ups throughout the Great Lakes Bay region. The Saginaw location also houses CMU's Innovation and Online learning hub, which provides professional development opportunities for and partnerships with area business leaders and owners.

CMURC offers hands-on expertise and CoWork opportunities. Its services include a competitive, three-phased scholarship program for early-stage entrepreneurs; industry, market, and feasibility analyses; product, manufacturing, and supply chain development; business strategy and implementation; marketing services; and investor relations and partnerships. In addition to its more than 320 CoWork members, CMURC supports nearly 90 companies at various stages of business development, ranging from the initial feasibility assessment to the launch of the new organization.

For students seeking employment with existing Michigan organizations, CMU's Career Development Center has developed an Employer Spotlight Program and Employer Partnership Program to enhance awareness and facetime with students for recruitment purposes. Employers post more than 100,000 jobs a year through the university's Career Development Center. CMU also hosts several on-campus job and internship recruiting fairs each year, bringing together thousands of students and employers. CMU also tracks student employment after graduation through an annual First Destination Survey.

Recent initiatives that support regional and statewide workforce development include the creation and launch of the only accredited online Master of Counseling program in the state, addressing a critical statewide need for school-based and community-based counselors and mental health professionals. This program is in extremely high demand and CMU is adding additional cohorts for the year ahead. CMU continues to fill important workforce gaps throughout the state by preparing early childhood and K-12 teachers to educate Michigan's children. CMU's Educator Preparation Program partnered with 64 school districts on the *Grow Your Own* grant and *Talent Together* initiatives aimed at supporting individuals who are pursuing teaching as a career path. We also are addressing the growing need for teachers in high-demand areas, such as special education, with innovative new certificate and degree-attainment pathways. Finally, CMU offers ongoing support for current teachers, helping them remain in the profession and in the classroom.

In response to the growing shortage of law enforcement officers in the state, CMU partnered with the Michigan State Police to develop a transformative workforce development plan aimed at elevating law enforcement professional skills and fostering leadership. The partnership solidifies a unique pathway for the nearly 17,000 Michigan Commission on Law Enforcement Standards (MCOLES) certified law enforcement officers serving across the state to earn undergraduate and graduate degrees. This initiative could redefine the landscape of law enforcement training and development and marks a significant step forward in providing access to high-quality educational opportunities.

CMU continues to respond to Michigan's growing demand for health care professionals. CMU recently expanded its physician assistant program and continues to grow offerings in nursing. CMU's College of Medicine remains committed to providing increased access to quality medical care, especially in rural and underserved areas. This year, CMU established the Rural Health Equity Institute as part of our commitment to high-quality services for Michiganders who live in rural areas throughout the state. Through partnerships with local communities, the Institute will improve access to services, resources, and health education and will support the coordination of a wide range of programs, people, and resources.

We continue to expand partnerships and affiliation agreements with hospitals and other medical providers for clinical placements and residency programs. CMU's College of Medicine is one of four Michigan-based medical schools that collaborated on the State MIDOCS program. As part of this program, created to address the physician shortage in Michigan, we are increasing the number of residency slots, especially in primary care specialties; increasing access to care by recruiting and retaining residents to practice in high-need, rural and urban underserved areas after their training; and helping to alleviate medical school debt for doctors practicing in Michigan's medically underserved communities.

CMU is committed to making higher education accessible to students across the state. In addition to our main campus in Mount Pleasant, CMU learning centers exist in six locations across the state: Clinton Township, Grand Rapids, Saginaw, Southfield, Traverse City and Troy. We also have a dedicated outreach office in downtown Detroit, which regularly hosts educational programming for prospective students, alumni, local partners, and community members.

CMU has fostered strong relationships with community colleges throughout the state. Our staff travel regularly to community college campuses and meet with prospective students interested in continuing to complete their undergraduate degrees. CMU revised its transfer policies to allow for a more seamless transition to CMU, an effort recognized for its innovation by the Michigan Association of Collegiate Registrars and Admissions Officers. CMU has many articulation agreements with community colleges and actively participates in the MiTransfer Pathways Initiative.

Students need flexibility in the modality of their educational programs, and our goal is for students to have a seamless transition in modalities when life changes occur. To meet the growing demand for flexible educational opportunities, CMU has expanded offerings in our online programs. CMU's Innovation and Online unit is well-positioned to serve non-traditional students seeking to enhance specific skills through badges, micro-credentials, certificate programs and professional development options. This unit also works closely with school districts, local and state governments, and corporate partners to create timely, personalized professional development opportunities for their employees. CMU developed six new

memorandums of agreement with organizations and corporations to partner on workforce upskilling. These offerings provide a real-time opportunity to assess employers' needs and deliver customized programming.

In addition, CMU's Innovation and Online unit has degree completion programs for returning students who have some college credit but have not completed a degree. We have partnered with CompleteU to identify and reach out to students who stopped out of college. We are encouraging them to attain their degrees through proactive, intentional discussions about their future goals. We help them explore options for funding their education with the help of many state programs, as well as institutional support. We also offer prior learning credit opportunities for work experience, workshops, seminars, or professional development classes, and volunteer activities that have resulted in college-level learning. Each of these initiatives drive toward Michigan's 60-by-30 goal, empowering adult learners to achieve the many benefits of a college degree.

Overall, CMU is committed to providing a quality educational experience for all students that will prepare them to meet or exceed employer expectations in a rapidly changing world.

What is your institution doing to support mental health and wellbeing?

CMU is focused on supporting the mental health and wellbeing of our students and preparing them to support the broader communities in which they live and work.

On campus, CMU has a myriad of services to support students. This includes proactive, robust academic advising efforts to support students throughout their academic journeys, counseling services, group therapy offerings, health services (including psychiatry), and the CMU Cares program. In addition, the CMCREW program is an independent resource for students whose drug and/or alcohol usage are creating health, interpersonal and financial problems or whose academic performance and overall success are being negatively affected.

Wellbeing also includes feelings of inclusion, safety, and security. We initiated a lived/chosen name policy to be more inclusive and supportive of students' identities. We enhanced safety across our campus through access controls and additional security cameras. CMU also has a unique student volunteer organization that offers confidential peer-to-peer advocacy services for survivors of sexual aggression.

To assist with financial wellbeing and security, CMU provides financial training programs through the Financial Wellness Collaborative. We also have financial resources for students having financial hardships in paying for college and/or housing through our student emergency fund and our Finish Up Chips award, which assists students who are within 25 credits of graduation and at risk of dropping out due to financial reasons.

To support mental health and wellbeing in the broader community and state, CMU launched the only accredited online Master of Counseling program in the state. This program prepares counselors in three primary areas of concentration: clinical mental health counseling, school counseling, and addiction counseling. This program is in extremely high demand and additional cohorts are being added to fulfill this critical need in society. In addition, CMU offers degree programs in social work and psychology, and our students and faculty provide free or low-cost services through clinics including the Center for Children, Families and Communities and the Center for Community Counseling and Development. Through our

psychiatric hospital, HealthSource in Saginaw, CMU's College of Medicine offers mental health services, as well as training and residency programs in psychiatric health.

Strategic Planning Focused on Impact

CMU recently completed a robust strategic planning process, and the final plan, which was approved by our Board of Trustees in September, focuses on impact. The four key priorities moving forward are outlined below:

- Inspire Student and Scholarly Success – Prepare bold leaders and learners who innovate and adapt in a rapidly changing world.
- Engage Communities – Cultivate and enrich reciprocal partnerships with university stakeholders to ensure a lasting impact in the communities we serve.
- Enhance Organizational Culture – Raise our national profile as a vibrant and nurturing university community where all members feel valued, empowered to thrive, and experience a strong sense of belonging.
- Ensure Institutional Sustainability – Embrace sustainable campus operations that ensure wise stewardship of our resources.

Many of the plan's priorities, goals and objectives align well with the Governor's goal of having 60% of Michiganders with a postsecondary degree or certificate by 2030. Our plan focuses on immersive, hands-on learning experiences for undergraduate students, ensuring they are fully prepared to enter the workforce. Within five years, every undergraduate student will have an immersive experience in a university-approved program by the time they graduate; this can include internships, job shadowing, assisting faculty-led research in the field or in the lab, and more.

Our plan also focuses on creating a seamless journey over a CMU learner's lifetime, with an emphasis on being a partner all along the way. As our graduates' lives change, we will support them with flexible educational offerings for retooling, upskilling, additional micro-credentials, certificates, and degree programs. This portion of the plan also focuses on adult learners and individuals that completed some college credit but have yet to finish. We will accomplish these objectives through a combination of face-to-face and online education, both in Mount Pleasant and in learning hubs throughout the state.

CMU will engage alumni, donors, community, and business leaders, among others, to provide mutually beneficial real-world and hands-on experiences for students through curricular and co-curricular partnerships. We are also establishing campuswide learning opportunities to empower students to acquire transferable skills that facilitate dialogue and discourse around polarizing topics without demoralization.

Lastly, CMU will continue to develop strategies to identify and enhance relationships to meet community needs, beginning with healthcare and wellbeing in the mid-Michigan area, Great Lakes Bay Region, western and northern Michigan.

Moving Forward Together

As the declining number of K-12 enrollments continues statewide and throughout the Midwest, CMU is planning to maintain or slightly grow our market share for newly entering undergraduate students and plans for additional growth in transfer students, adult learners, and graduate students. CMU’s five-year enrollment projections are outlined below:

<u>Year</u>	<u>Fall Enrollment</u>
2024	14,558
2025	14,760
2026	15,001
2027	15,266
2028	15,498

A recent report from Georgetown University’s Center on Education and the Workforce entitled *“After Everything: Projections of Jobs, Education, and Training Requirements through 2031”* projects that by 2031, 72% of jobs across the United States will require some form of postsecondary education. We need the state’s help in bringing greater awareness to the value of a college degree, including its positive impacts on lifetime earnings potential, social mobility, civic engagement, and life expectancy. We recommend that state leaders work closely with colleges and universities across the state to dispel negative, misleading narratives with facts through a coordinated advertising campaign. The work of the Growing Michigan Together Council could amplify the benefits of earning a college degree.

CMU looks forward to continuing our important partnership with the state of Michigan and participating in future discussions to further the educational goals of our state.